



THE CO-OPERATIVE FEDERATION OF VICTORIA

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To: Community Employment Co-operative members

From: Executive Officer

AMENDMENTS TO CO-OPERATION ACT 1981

As indicated in our circular dated 22nd July 1982, proposals from Employment Co-operatives were sought, to enable submissions to the Minister for amendments to be made to the Co-operation Act 1981, of sections which currently are inhibiting formation and development of Employment Co-operatives.

There was no response to our circular, but the Federation Legislation Committee met on 3rd August, as scheduled, to consider eight matters for legislative change. The Committee considered a paper put up by the Executive Officer, outlining reasons and proposals for amendments.

One proposal was a request for enabling legislation to be passed to allow employees to have equity in their co-operatives, and to be eligible for Board membership. This is in line with long standing Federation policy of encouragement of formation of employment co-operatives, and conversion of existing business's to co-operatives.

The proposal is that provision be made in the Act for a new kind of co-operative, called Industrial Societies, with

Worker based or community based

Objects:

- (i) To provide employment
- (ii) To promote employee equity in business enterprise
- (iii) To promote the development and operation of business enterprises based on the Co-operative Principles of democratic control and equitable distribution of surplus.
- (iv) To undertake farming operations and to purchase or otherwise acquire agricultural machinery, implements, and requisites on behalf of its members.
- (v) To promote, establish, purchase, acquire, operate any trade, profession, service, manufacturing, wholesale, retail, or other business as authorised by its Rules.
- (vi) To promote and carry on any community service.
- (vii) To do all such things calculated to promote the economic and social welfare of members of the society and that community as are prescribed by regulation.

Powers

- (i) Raise money on loan for any of the objects of the co-operative;
- (ii) Receive money on deposit;
- (iii) Deposit funds in, borrow from, acquire by purchase or otherwise, shares in any other co-operative society or common ownership enterprise as may be approved by the Registrar;
- (iv) Make advances to its members or other persons against goods or commodities agreed to be sold to the co-operative society;
- (v) Make and enter into arrangements for the provision of insurance for its members.

Members

Section 58 (1) amend to read -

- (i) The members of a society which is formed under this Act shall be the persons who sign the application for membership on the formation of the society, and any other persons who are admitted to membership in accordance with its rules. In the case of a credit union....or related persons. In the case of an industrial society, where a ^{with 5 years} ~~minimum of 75 per cent of its members are full time employees~~ ^{workers} ~~employees~~ who may be required to serve a probationary period before becoming eligible for membership.

Appointment of Directors

Section 103 amend to read -

- (a) The rules of a society other than an industrial society may provide that one employee of that society may be elected at a meeting of the society as a director of that society. The rules of an industrial society will provide that ~~only employees~~ ^{with members} are eligible for election as directors of such societies.
- 103 (10) An employee shall not be elected as a director of a society other than an industrial society where that election would result....
- 103 (11) A director who is an employee of a society other than an industrial society shall not be eligible....
- 103 (12) In this section "employee" in relation to a society other than an industrial society....
- 103 (14) An employee of a society other than an industrial society....
- 104 (2) Sub-section (1) does not authorise the election of an employee of a society other than an industrial society as a director....

- 105 (1) (j) If he is or becomes an employee of the society (other than an industrial society), or an employee who is a director pursuant to rules made under Section 103 (G), or he is or becomes employed by a director.

Action Required

The boards and members of Employment Co-operatives are required to consider these proposals, and submit their comments and proposals for improvements to the Federation before 3rd September 1982, to enable them to be considered by the Legislation Committee for recommendations to be submitted to the Council of the Federation before submission to the Minister.

The name 'Industrial Society', as opposed to Employment, Productive, Common Ownership, Worker, or other title so far considered, is thought to be a more appropriate and concise description of what we are really about. Your views on this would be welcomed.

W. W. Rawlinson
Executive Officer

4th August 1982